

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 15189 151315Z

60

ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 EB-07 TRSE-00 CIAE-00 INR-07

NSAE-00 XMB-04 /029 W

----- 074015

R 151137Z OCT 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9006

INFO AMCONSUL BOMBAY

UNCLAS NEW DELHI 15189

E.O. 11652: N/A

TAGS: BPRO IN

SUBJECT: MODI SPINNING AND WEAVING

REF: STATE 254472

1) MOF INFORMS US THAT THE FINANCIAL PACKAGE WAS DISAPPROVED BECAUSE OF THE SHORT FIVE-YEAR TERM. AN 8 TO 10 YEAR TERM, WHICH IT CONSIDERS NORMAL FOR CAPITAL GOODS, WOULD HAVE BEEN ACCEPTABLE.

2) AT THE TIME OF DISAPPROVAL, THE MOF SUGGESTED TO MODI THAT IT OBTAIN FINANCING FROM OTHER SOURCES, SUCH AS THE ICICI ADMINISTERED IBRD LOAN. MODI RESPONDED THAT THIS WOULD BE A LENGTHY PROCEDURE. THE MOF THEN SAID THAT IT WOULD MAKE FREE FOREIGN EXCHANGE AVAILABLE FOR THE PROJECT BUT MODI DECLINED, SAYING IT WAS RETHINKING THE PROJECT AND WAS CONSIDERING BUYING SWISS LOOMS.

3) S.K. MODI IS OUT OF TOWN AND WE WILL ATTEMPT TO GET HIS SIDE OF THE STORY NEXT WEEK.

4) FOR BOMBAY: PLEASE INFORM K P N NAIR OF BATLIBOI, THE AGENT OF THE AMERICAN SUPPLIER CROMPTON AND KNOWLES INTERNATIONAL, WHO ALSO ASKED US TO ASCERTAIN FROM THE MOF WHY THE PACKAGE WAS DISAPPROVED.SAXBE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Review Content Flags:
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Margaret P. Grafeld
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